

Press Release

Warsaw, May 6th, 2016

Ronson Europe has published its results for the first quarter 2016

- During the first quarter of 2016 Ronson Europe generated PLN 41.9 million revenue compared to PLN 40.4 million a year earlier, which means an increase by 3.6%:
 - The Company has handed over 105 flats with a total area of 6.5 thousand m², while a year before the Company handed over 121 flats with an area of 6.2 thousand m².
 - The 1st quarter results were mainly affected by the Młody Grunwald project in Poznań where 67 units were handed over.
- In the first quarter of 2016 the gross profit on sales amounted to PLN 4.0 million compared to PLN 4.6 million a year earlier.
 - In the first quarter the gross margin on sales amounted to 9.5% in relation to 11.4% a year earlier. - Reduction in gross margin results mainly from the fact of providing customers with flats in less profitable projects than last year (primarily in the Młody Grunwald project).
- The net loss attributable to the parent company shareholders in the first quarter of 2016 amounted to PLN 4.2 million compared to a loss of PLN 2.7 million a year earlier.
- In 2016 Ronson can hand over a total of approx. 1000 flats to its customers, which should translate into a significant improvement of its financial results in relation to 2015.

*- As we expected, we have recorded the 2016 first quarter's results in the red. It is closely related to the schedule of commissioning our projects for use - during this period we did not complete construction of any projects, which obviously was not a surprise to us. We can expect the results' improvement as soon as in the second quarter, when we are going to complete construction of two important projects. However, like a year ago, we have the best prospects for the second half of 2016. We assume that in the entire 2016 we can deliver more than 1000 units, which should lead to a significant improvement of the financial results in relation to last year - **Tomasz Łapiński, Ronson Financial Director**, has said.*

Sale of flats

In the first quarter of 2016 Ronson sold 206 units net, which is an increase by nearly 11% compared to the same period last year when 186 units had been bought. The customers were mainly interested in units situated in two Warsaw projects, i.e. Espresso (59 sold units) and City Link (33 units). Moreover, 36 flats were sold in the Kamienica Jeżyce project in Poznań.

Ronson's target for 2016 is to sell more than 900 units again.

The implemented and planned investments

In the first quarter of 2016 Ronson started implementing two projects: the fourth stage

of Espresso in Warsaw comprising 146 units and the third stage of Młody Grunwald in Poznań comprising 108 units. At the end of March Ronson's offer included 919 flats. During the first three months of the year the Company did not complete any construction project. However, over the next quarters the Company is going to complete the construction of seven projects comprising a total of 1050 units.

There are eight other investments comprising more than 900 units the sale of which can be started by the end of the year. New investments that can be started are: Nova Królikarnia I at Jaśminowa Street in the Mokotów District (106 units), Marina Miasto nad Odrą at Na Grobli Street in Wrocław (152 units) as well as the first stage comprising 233 units of the project implemented at Marywilska Street in the Żerań District, where as many as 1500 flats are to be built in total. This is going to be the first project of Ronson of this size.

Other projects include the next stages of the already existing housing estates: City Link III (189 units), Naturalis IV (57 units) in the Warsaw agglomeration, Chilli City IV (45 units) in Poznań, Vitalia II (36 units) in Wrocław and Panoramika III in Szczecin (107 units). Final decisions on new projects' commencement will mainly depend, among others, on the speed of obtaining administrative decisions and the current market situation.

Good prospects for the next quarters of 2016

In respect of the number of handed-over flats and the financial results, this year is going to be even better than 2015. In 2016 Ronson can hand over a total of over 1000 flats (105 were already handed over during the first quarter). The basis of next hand-overs during the next quarters will be approx. 150 flats in investments that have already been completed as well as flats that should be completed this year. It is a total of more than 1200 flats, and 840 of them were already sold at the end of the first quarter.

The financial results have been presented in the table below

Financial results (in PLN million)	1-st quarter of	1-st quarter of	Change
Revenue	41.9	40.4	+3.6%
Gross profit on sales	4.0	4.6	-13.0%
Operating result	(4.0)	(2.4)	-
Net result*	(4.2)	(2.7)	-

* Net profit attributable to parent company shareholders

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